

Senator Kevin T. Van Tassell proposes the following substitute bill:

TRANSPORTATION FUNDING AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kevin T. Van Tassell

House Sponsor: Don L. Ipson

LONG TITLE

General Description:

This bill amends provisions relating to transportation funding.

Highlighted Provisions:

This bill:

- ▶ repeals the requirement for a person who sells motor fuel or undyed special fuel in a retail sale to post a tax rate decal on each motor fuel or undyed special fuel pump or dispensing device;
- ▶ increases the tax rate for a tax imposed upon motor fuel that is sold, used, or received for sale or used in this state;
- ▶ increases the tax rate for a tax imposed upon special fuel that is sold, used, or received for sale or used in this state;
- ▶ amends the cap on the amount of motor fuel tax revenue that is deposited in the Off-Highway Vehicle Account;
- ▶ appropriates Transportation Fund revenues to the Department of Transportation for maintenance and bridge rehabilitation projects;
- ▶ requires the Department of Transportation to seek to maintain an aggregate highway system condition;
- ▶ requires the Department of Transportation to annually report to the Transportation



26 Interim Committee on the highway system condition;

27 ▶ amends the apportionment formula for revenues deposited in the class B and class C
28 roads account; and

29 ▶ makes technical corrections.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 This bill provides a special effective date.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **59-13-201**, as last amended by Laws of Utah 2010, Chapter 308

37 **59-13-301**, as last amended by Laws of Utah 2011, Chapter 259

38 **72-2-106**, as last amended by Laws of Utah 2010, Chapter 278

39 **72-2-108**, as last amended by Laws of Utah 2008, Chapter 109

40 ENACTS:

41 **72-1-212**, Utah Code Annotated 1953

42 REPEALS:

43 **59-13-104**, as enacted by Laws of Utah 1998, Chapter 253



45 *Be it enacted by the Legislature of the state of Utah:*

46 Section 1. Section **59-13-201** is amended to read:

47 **59-13-201. Rate -- Tax basis -- Exemptions -- Revenue deposited in the**
48 **Transportation Fund -- Restricted account for boating uses -- Refunds -- Reduction of tax**
49 **in limited circumstances.**

50 (1) (a) Subject to the provisions of this section, a tax is imposed [~~at the rate of 24-1/2~~
51 ~~cents per gallon~~] upon all motor fuel that is sold, used, or received for sale or used in this
52 state[.] at the rate of:

53 (i) until June 30, 2016, 30-1/2 cents per gallon;

54 (ii) beginning on July 1, 2016, and until June 30, 2017, 31-1/4 cents per gallon;

55 (iii) beginning on July 1, 2017, and until June 30, 2018, 32 cents per gallon;

56 (iv) beginning on July 1, 2018, and until June 30, 2019, 32-3/4 cents per gallon; and

57 (v) beginning on or after July 1, 2019, 33-1/2 cents per gallon.

58 (b) In lieu of the tax imposed under Subsection (1)(a) and subject to the provisions of
59 this section, a tax is imposed at the rate of 3/19 of the rate imposed under Subsection (1)(a),
60 rounded up to the nearest penny, upon all motor fuels that meet the definition of clean fuel in
61 Section 59-13-102 and are sold, used, or received for sale or use in this state.

62 (2) Any increase or decrease in tax rate applies to motor fuel that is imported to the
63 state or sold at refineries in the state on or after the effective date of the rate change.

64 (3) (a) No motor fuel tax is imposed upon:

65 (i) motor fuel that is brought into and sold in this state in original packages as purely
66 interstate commerce sales;

67 (ii) motor fuel that is exported from this state if proof of actual exportation on forms
68 prescribed by the commission is made within 180 days after exportation;

69 (iii) motor fuel or components of motor fuel that is sold and used in this state and
70 distilled from coal, oil shale, rock asphalt, bituminous sand, or solid hydrocarbons located in
71 this state; or

72 (iv) motor fuel that is sold to the United States government, this state, or the political
73 subdivisions of this state.

74 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
75 commission shall make rules governing the procedures for administering the tax exemption
76 provided under Subsection (3)(a)(iv).

77 (4) The commission may either collect no tax on motor fuel exported from the state or,
78 upon application, refund the tax paid.

79 (5) (a) All revenue received by the commission under this part shall be deposited daily
80 with the state treasurer and credited to the Transportation Fund.

81 (b) An appropriation from the Transportation Fund shall be made to the commission to
82 cover expenses incurred in the administration and enforcement of this part and the collection of
83 the motor fuel tax.

84 (6) (a) The commission shall determine what amount of motor fuel tax revenue is
85 received from the sale or use of motor fuel used in motorboats registered under the provisions
86 of the State Boating Act, and this amount shall be deposited in a restricted revenue account in
87 the General Fund of the state.

88 (b) The funds from this account shall be used for the construction, improvement,
89 operation, and maintenance of state-owned boating facilities and for the payment of the costs
90 and expenses of the Division of Parks and Recreation in administering and enforcing the State
91 Boating Act.

92 (7) (a) The United States government or any of its instrumentalities, this state, or a
93 political subdivision of this state that has purchased motor fuel from a licensed distributor or
94 from a retail dealer of motor fuel and has paid the tax on the motor fuel as provided in this
95 section is entitled to a refund of the tax and may file with the commission for a quarterly
96 refund.

97 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
98 commission shall make rules governing the application and refund provided for in Subsection
99 (7)(a).

100 (8) (a) The commission shall refund annually into the Off-Highway Vehicle Account in
101 the General Fund an amount equal to the lesser of the following:

- 102 (i) .5% of the motor fuel tax revenues collected under this section; or
- 103 (ii) [~~\$1,050,000~~] \$1,500,000.

104 (b) This amount shall be used as provided in Section [41-22-19](#).

105 (9) (a) Beginning on April 1, 2001, a tax imposed under this section on motor fuel that
106 is sold, used, or received for sale or use in this state is reduced to the extent provided in
107 Subsection (9)(b) if:

- 108 (i) a tax imposed on the basis of the sale, use, or receipt for sale or use of the motor
109 fuel is paid to the Navajo Nation;
- 110 (ii) the tax described in Subsection (9)(a)(i) is imposed without regard to whether or
111 not the person required to pay the tax is an enrolled member of the Navajo Nation; and
- 112 (iii) the commission and the Navajo Nation execute and maintain an agreement as
113 provided in this Subsection (9) for the administration of the reduction of tax.

114 (b) (i) If but for Subsection (9)(a) the motor fuel is subject to a tax imposed by this
115 section:

116 (A) the state shall be paid the difference described in Subsection (9)(b)(ii) if that
117 difference is greater than \$0; and

118 (B) a person may not require the state to provide a refund, a credit, or similar tax relief

119 if the difference described in Subsection (9)(b)(ii) is less than or equal to \$0.

120 (ii) The difference described in Subsection (9)(b)(i) is equal to the difference between:

121 (A) the amount of tax imposed on the motor fuel by this section; less

122 (B) the tax imposed and collected by the Navajo Nation on the motor fuel.

123 (c) For purposes of Subsections (9)(a) and (b), the tax paid to the Navajo Nation under

124 a tax imposed by the Navajo Nation on the basis of the sale, use, or receipt for sale or use of

125 motor fuel does not include any interest or penalties a taxpayer may be required to pay to the

126 Navajo Nation.

127 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

128 commission shall make rules governing the procedures for administering the reduction of tax

129 provided under this Subsection (9).

130 (e) The agreement required under Subsection (9)(a):

131 (i) may not:

132 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

133 (B) provide a reduction of taxes greater than or different from the reduction described

134 in this Subsection (9); or

135 (C) affect the power of the state to establish rates of taxation;

136 (ii) shall:

137 (A) be in writing;

138 (B) be signed by:

139 (I) the chair of the commission or the chair's designee; and

140 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;

141 (C) be conditioned on obtaining any approval required by federal law;

142 (D) state the effective date of the agreement; and

143 (E) state any accommodation the Navajo Nation makes related to the construction and

144 maintenance of state highways and other infrastructure within the Utah portion of the Navajo

145 Nation; and

146 (iii) may:

147 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the

148 Navajo Nation information that is:

149 (I) contained in a document filed with the commission; and

- 150 (II) related to the tax imposed under this section;
- 151 (B) provide for maintaining records by the commission or the Navajo Nation; or
- 152 (C) provide for inspections or audits of distributors, carriers, or retailers located or
- 153 doing business within the Utah portion of the Navajo Nation.
- 154 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax
- 155 imposed on motor fuel, any change in the reduction of taxes under this Subsection (9) as a
- 156 result of the change in the tax rate is not effective until the first day of the calendar quarter after
- 157 a 60-day period beginning on the date the commission receives notice:
 - 158 (A) from the Navajo Nation; and
 - 159 (B) meeting the requirements of Subsection (9)(f)(ii).
- 160 (ii) The notice described in Subsection (9)(f)(i) shall state:
 - 161 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
 - 162 motor fuel;
 - 163 (B) the effective date of the rate change of the tax described in Subsection (9)(f)(ii)(A);
 - 164 and
 - 165 (C) the new rate of the tax described in Subsection (9)(f)(ii)(A).
 - 166 (g) If the agreement required by Subsection (9)(a) terminates, a reduction of tax is not
 - 167 permitted under this Subsection (9) beginning on the first day of the calendar quarter after a
 - 168 30-day period beginning on the day the agreement terminates.
 - 169 (h) If there is a conflict between this Subsection (9) and the agreement required by
 - 170 Subsection (9)(a), this Subsection (9) governs.

171 Section 2. Section **59-13-301** is amended to read:

172 **59-13-301. Tax basis -- Rate -- Exemptions -- Revenue deposited with treasurer**
173 **and credited to Transportation Fund -- Reduction of tax in limited circumstances.**

- 174 (1) (a) Except as provided in Subsections (2), (3), (11), and (12) and Section
- 175 **59-13-304**, a tax is imposed [~~at the same rate imposed under Subsection **59-13-201**(1)(a)~~] on
- 176 the:
 - 177 (i) removal of undyed diesel fuel from any refinery;
 - 178 (ii) removal of undyed diesel fuel from any terminal;
 - 179 (iii) entry into the state of any undyed diesel fuel for consumption, use, sale, or
 - 180 warehousing;

181 (iv) sale of undyed diesel fuel to any person who is not registered as a supplier under
182 this part unless the tax has been collected under this section;

183 (v) any untaxed special fuel blended with undyed diesel fuel; or

184 (vi) use of untaxed special fuel other than propane or electricity.

185 (b) The tax imposed under Subsection (1)(a) is imposed at the rate of:

186 (i) until June 30, 2016, 27 cents per gallon;

187 (ii) beginning on July 1, 2016, and until June 30, 2017, 27-1/2 cents per gallon;

188 (iii) beginning on July 1, 2017, and until June 30, 2018, 28 cents per gallon;

189 (iv) beginning on July 1, 2018, and until June 30, 2019, 28-1/2 cents per gallon; and

190 (v) beginning on or after July 1, 2019, 29 cents per gallon.

191 ~~[(b)]~~ (c) The tax imposed under this section shall only be imposed once upon any
192 special fuel.

193 (2) (a) No special fuel tax is imposed or collected upon dyed diesel fuel which:

194 (i) is sold or used for any purpose other than to operate or propel a motor vehicle upon
195 the public highways of the state, but this exemption applies only in those cases where the
196 purchasers or the users of special fuel establish to the satisfaction of the commission that the
197 special fuel was used for purposes other than to operate a motor vehicle upon the public
198 highways of the state; or

199 (ii) is sold to this state or any of its political subdivisions.

200 (b) No special fuel tax is imposed on undyed diesel fuel or clean fuel that is:

201 (i) sold to the United States government or any of its instrumentalities or to this state or
202 any of its political subdivisions;

203 (ii) exported from this state if proof of actual exportation on forms prescribed by the
204 commission is made within 180 days after exportation;

205 (iii) used in a vehicle off-highway;

206 (iv) used to operate a power take-off unit of a vehicle;

207 (v) used for off-highway agricultural uses;

208 (vi) used in a separately fueled engine on a vehicle that does not propel the vehicle
209 upon the highways of the state; or

210 (vii) used in machinery and equipment not registered and not required to be registered
211 for highway use.

212 (3) No tax is imposed or collected on special fuel if it is:
213 (a) (i) purchased for business use in machinery and equipment not registered and not
214 required to be registered for highway use; and
215 (ii) used pursuant to the conditions of a state implementation plan approved under Title
216 19, Chapter 2, Air Conservation Act; or
217 (b) propane or electricity.
218 (4) Upon request of a buyer meeting the requirements under Subsection (3), the
219 Division of Air Quality shall issue an exemption certificate that may be shown to a seller.
220 (5) The special fuel tax shall be paid by the supplier.
221 (6) (a) The special fuel tax shall be paid by every user who is required by Sections
222 59-13-303 and 59-13-305 to obtain a special fuel user permit and file special fuel tax reports.
223 (b) The user shall receive a refundable credit for special fuel taxes paid on purchases
224 which are delivered into vehicles and for which special fuel tax liability is reported.
225 (7) (a) Except as provided under Subsections (7)(b) and (c), all revenue received by the
226 commission from taxes and license fees under this part shall be deposited daily with the state
227 treasurer and credited to the Transportation Fund.
228 (b) An appropriation from the Transportation Fund shall be made to the commission to
229 cover expenses incurred in the administration and enforcement of this part and the collection of
230 the special fuel tax.
231 (c) Five dollars of each special fuel user trip permit fee paid under Section 59-13-303
232 may be used by the commission as a dedicated credit to cover the costs of electronic
233 credentialing as provided in Section 41-1a-303.
234 (8) The commission may either collect no tax on special fuel exported from the state
235 or, upon application, refund the tax paid.
236 (9) (a) The United States government or any of its instrumentalities, this state, or a
237 political subdivision of this state that has purchased special fuel from a supplier or from a retail
238 dealer of special fuel and has paid the tax on the special fuel as provided in this section is
239 entitled to a refund of the tax and may file with the commission for a quarterly refund in a
240 manner prescribed by the commission.
241 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
242 commission shall make rules governing the application and refund provided for in Subsection

243 (9)(a).

244 (10) (a) The purchaser shall pay the tax on diesel fuel or clean fuel purchased for uses
245 under Subsections (2)(b)(i), (iii), (iv), (v), (vi), and (vii) and apply for a refund for the tax paid
246 as provided in Subsection (9) and this Subsection (10).

247 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
248 commission shall make rules governing the application and refund for off-highway and
249 nonhighway uses provided under Subsections (2)(b)(iii), (iv), (vi), and (vii).

250 (c) A refund of tax paid under this part on diesel fuel used for nonhighway agricultural
251 uses shall be made in accordance with the tax return procedures under Section 59-13-202.

252 (11) (a) Beginning on April 1, 2001, a tax imposed under this section on special fuel is
253 reduced to the extent provided in Subsection (11)(b) if:

254 (i) the Navajo Nation imposes a tax on the special fuel;

255 (ii) the tax described in Subsection (11)(a)(i) is imposed without regard to whether the
256 person required to pay the tax is an enrolled member of the Navajo Nation; and

257 (iii) the commission and the Navajo Nation execute and maintain an agreement as
258 provided in this Subsection (11) for the administration of the reduction of tax.

259 (b) (i) If but for Subsection (11)(a) the special fuel is subject to a tax imposed by this
260 section:

261 (A) the state shall be paid the difference described in Subsection (11)(b)(ii) if that
262 difference is greater than \$0; and

263 (B) a person may not require the state to provide a refund, a credit, or similar tax relief
264 if the difference described in Subsection (11)(b)(ii) is less than or equal to \$0.

265 (ii) The difference described in Subsection (11)(b)(i) is equal to the difference
266 between:

267 (A) the amount of tax imposed on the special fuel by this section; less

268 (B) the tax imposed and collected by the Navajo Nation on the special fuel.

269 (c) For purposes of Subsections (11)(a) and (b), the tax paid to the Navajo Nation on
270 the special fuel does not include any interest or penalties a taxpayer may be required to pay to
271 the Navajo Nation.

272 (d) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
273 commission shall make rules governing the procedures for administering the reduction of tax

274 provided under this Subsection (11).

275 (e) The agreement required under Subsection (11)(a):

276 (i) may not:

277 (A) authorize the state to impose a tax in addition to a tax imposed under this chapter;

278 (B) provide a reduction of taxes greater than or different from the reduction described
279 in this Subsection (11); or

280 (C) affect the power of the state to establish rates of taxation;

281 (ii) shall:

282 (A) be in writing;

283 (B) be signed by:

284 (I) the chair of the commission or the chair's designee; and

285 (II) a person designated by the Navajo Nation that may bind the Navajo Nation;

286 (C) be conditioned on obtaining any approval required by federal law;

287 (D) state the effective date of the agreement; and

288 (E) state any accommodation the Navajo Nation makes related to the construction and
289 maintenance of state highways and other infrastructure within the Utah portion of the Navajo
290 Nation; and

291 (iii) may:

292 (A) notwithstanding Section 59-1-403, authorize the commission to disclose to the
293 Navajo Nation information that is:

294 (I) contained in a document filed with the commission; and

295 (II) related to the tax imposed under this section;

296 (B) provide for maintaining records by the commission or the Navajo Nation; or

297 (C) provide for inspections or audits of suppliers, distributors, carriers, or retailers
298 located or doing business within the Utah portion of the Navajo Nation.

299 (f) (i) If, on or after April 1, 2001, the Navajo Nation changes the tax rate of a tax
300 imposed on special fuel, any change in the amount of the reduction of taxes under this
301 Subsection (11) as a result of the change in the tax rate is not effective until the first day of the
302 calendar quarter after a 60-day period beginning on the date the commission receives notice:

303 (A) from the Navajo Nation; and

304 (B) meeting the requirements of Subsection (11)(f)(ii).

305 (ii) The notice described in Subsection (11)(f)(i) shall state:

306 (A) that the Navajo Nation has changed or will change the tax rate of a tax imposed on
307 special fuel;

308 (B) the effective date of the rate change of the tax described in Subsection
309 (11)(f)(ii)(A); and

310 (C) the new rate of the tax described in Subsection (11)(f)(ii)(A).

311 (g) If the agreement required by Subsection (11)(a) terminates, a reduction of tax is not
312 permitted under this Subsection (11) beginning on the first day of the calendar quarter after a
313 30-day period beginning on the day the agreement terminates.

314 (h) If there is a conflict between this Subsection (11) and the agreement required by
315 Subsection (11)(a), this Subsection (11) governs.

316 (12) (a) Beginning on [~~January~~] July 1, [~~2009~~] 2015, a tax imposed under this section
317 on compressed natural gas is imposed at a [~~reduced~~] rate of [~~8-1/2~~] 17 cents per gasoline gallon
318 equivalent [~~to be increased or decreased proportionately with any increase or decrease in the~~
319 ~~rate in Subsection 59-13-201(1)(a)]].~~

320 (b) Beginning on July 1, [~~2011~~] 2015, a tax imposed under this section on liquified
321 natural gas is imposed at a [~~reduced~~] rate of [~~8-1/2~~] 17 cents per gasoline gallon equivalent [~~to~~
322 ~~be increased or decreased proportionately with any increase or decrease in the rate in~~
323 ~~Subsection 59-13-201(1)(a)]].~~

324 Section 3. Section **72-1-212** is enacted to read:

325 **72-1-212. Aggregate highway system condition -- Annual report.**

326 (1) Using the department's asset management system, the department shall seek to
327 maintain an aggregate highway system condition as measured by the department in 2015 for:

328 (a) roads not included on the National Highway System; and

329 (b) bridges.

330 (2) The department shall annually report to the Transportation Interim Committee of
331 the Legislature by November 30 of each year on:

332 (a) the condition of the system under Subsection (1);

333 (b) the change in condition since the last annual report required under this Subsection
334 (2); and

335 (c) progress toward achieving performance targets established under the department's

336 asset management system.

337 Section 4. Section **72-2-106** is amended to read:

338 **72-2-106. Appropriations from Transportation Fund.**

339 (1) On and after July 1, 1981, there is appropriated from the Transportation Fund to the
340 use of the department an amount equal to two-elevenths of the taxes collected from the motor
341 fuel tax and the special fuel tax, exclusive of the formula amount appropriated to the B and C
342 road fund and the collector road fund, to be used for highway rehabilitation.

343 (2) For fiscal years 2016, 2017, and 2018 only, \$40,000,000 is annually appropriated
344 from the Transportation Fund to the department to be used for maintenance on roads classified
345 by the department as level two roads for maintenance purposes.

346 (3) For fiscal year 2018 only, \$25,000,000 is appropriated from the Transportation
347 Fund to the department to be used for bridge rehabilitation projects.

348 Section 5. Section **72-2-108** is amended to read:

349 **72-2-108. Apportionment of funds available for use on class B and class C roads**
350 **-- Bonds.**

351 (1) For purposes of this section:

352 (a) "Graveled road" means a road:

353 (i) that is:

354 (A) graded; and

355 (B) drained by transverse drainage systems to prevent serious impairment of the road
356 by surface water;

357 (ii) that has an improved surface; and

358 (iii) that has a wearing surface made of:

359 (A) gravel;

360 (B) broken stone;

361 (C) slag;

362 (D) iron ore;

363 (E) shale; or

364 (F) other material that is:

365 (I) similar to a material described in Subsection (1)(a)(iii)(A) through (E); and

366 (II) coarser than sand.

367 (b) "Paved road" includes a graveled road with a chip seal surface.

368 (c) "Road mile" means a one-mile length of road, regardless of:

369 (i) the width of the road; or

370 (ii) the number of lanes into which the road is divided.

371 (d) "Weighted mileage" means the sum of the following:

372 (i) paved road miles multiplied by five; and

373 [~~(ii) graveled road miles multiplied by two; and~~]

374 [~~(iii)~~] (ii) all other road type road miles multiplied by [~~one~~] two.

375 (2) Subject to the provisions of Subsections (3) through (5), funds in the class B and
376 class C roads account shall be apportioned among counties and municipalities in the following
377 manner:

378 (a) 50% in the ratio that the class B roads weighted mileage within each county and
379 class C roads weighted mileage within each municipality bear to the total class B and class C
380 roads weighted mileage within the state; and

381 (b) 50% in the ratio that the population of a county or municipality bears to the total
382 population of the state as of the last official federal census or the United States Bureau of
383 Census estimate, whichever is most recent, except that if population estimates are not available
384 from the United States Bureau of Census, population figures shall be derived from the estimate
385 from the Utah Population Estimates Committee.

386 (3) For purposes of Subsection (2)(b), "the population of a county" means:

387 (a) the population of a county outside the corporate limits of municipalities in that
388 county, if the population of the county outside the corporate limits of municipalities in that
389 county is not less than 14% of the total population of that county, including municipalities; and

390 (b) if the population of a county outside the corporate limits of municipalities in the
391 county is less than 14% of the total population:

392 (i) the aggregate percentage of the population apportioned to municipalities in that
393 county shall be reduced by an amount equal to the difference between:

394 (A) 14%; and

395 (B) the actual percentage of population outside the corporate limits of municipalities in
396 that county; and

397 (ii) the population apportioned to the county shall be 14% of the total population of

398 that county, including incorporated municipalities.

399 (4) (a) If an apportionment under Subsection (2) for fiscal year 2014 to a county or
400 municipality with a population of less than 14,000 is less than 120% of the amount apportioned
401 to the county or municipality from the class B and class C roads account for fiscal year
402 1996-97, the department shall:

403 (i) reapportion the funds under Subsection (2) to ensure that the county or municipality
404 receives an amount equal to [~~120% of~~] the amount apportioned to the county or municipality
405 from the class B and class C roads account for fiscal year 1996-97 multiplied by the percentage
406 increase in the class B and class C roads account from fiscal year 1996-1997 to the most
407 recently completed fiscal year; and

408 (ii) decrease proportionately as provided in Subsection (4)(b) the apportionments to
409 counties and municipalities for which the reapportionment under Subsection (4)(a)(i) does not
410 apply.

411 (b) The aggregate amount of the funds that the department shall decrease
412 proportionately from the apportionments under Subsection (4)(a)(ii) is an amount equal to the
413 aggregate amount reapportioned to counties and municipalities under Subsection (4)(a)(i).

414 (5) (a) In addition to the apportionment adjustments made under Subsection (4), a
415 county or municipality that qualifies for reapportioned money under Subsection (4)(a)(i) shall
416 receive the percentage change in the class B and class C roads account compounded annually
417 beginning in fiscal year 2006-07.

418 (b) The adjustment under Subsection (5)(a) shall be made in the same way as provided
419 in Subsection (4)(a)(ii) and (b).

420 (6) The governing body of any municipality or county may issue bonds redeemable up
421 to a period of 10 years under Title 11, Chapter 14, Local Government Bonding Act, to pay the
422 costs of constructing, repairing, and maintaining class B or class C roads and may pledge class
423 B or class C road funds received pursuant to this section to pay principal, interest, premiums,
424 and reserves for the bonds.

425 Section 6. **Repealer.**

426 This bill repeals:

427 Section **59-13-104, Tax rate decals -- Posted on pump.**

428 Section 7. **Effective date.**

429

This bill takes effect on July 1, 2015.